



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

October 2, 2017

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CR-083-2017 Compensation and Benefits, Sheriff Officials, Salary Schedule S-O

Pursuant to your request, we have reviewed CR-083-2017 to estimate its fiscal impact on Prince George's County, Maryland.

CR-083-2017 proposes to amend the Salary Plan of the County to reflect certain wage and benefit modifications of Officials ranked at Captain and Major within the Office of the Sheriff. Proposed modifications shall be effective to July 1, 2016 through June 30, 2018, unless otherwise stated in specific provisions.

Details of all modifications to Salary Schedule S-O are presented in the Summary of Modifications attached to CR-083-2017, and have been enclosed hereto, for your convenience. Provided below is a summary of the modifications affecting covered employees, and having a significant fiscal impact upon the County during fiscal year 2018 and beyond.

- Eligible employees covered by Salary Schedule S-O will receive two merit step increases on their employee anniversary date during FY 2018. There will be no retroactive payment for any of the missed merit steps.
- Eligible employees covered by Salary Schedule S-O will receive a one and a half percent (1.5%) COLA effective January 1, 2018.

- The clothing allowance will increase \$75, from \$1,325 to \$1,400, for all employees covered by Salary Schedule S-O.
- In *Calendar Year 2018*, the percentage rate at which covered employees contribute toward the cost of health insurance benefits will increase by three percent (3%) for each of the health insurance plans, the deductible prescription drug plan, and the vision care programs, offered by the County.

Adoption of CR-083-2017 is estimated to have a negative fiscal impact to the County of approximately \$44,100 during fiscal year 2018 related to the COLA and merit increases. Attachment A provides a breakdown of the cost components. The clothing allowance will have a negative fiscal impact beginning in FY 2019 of \$600, assuming the allowance value and the number of Sheriff Officials remains constant.

If you require additional information or have questions regarding the fiscal impact statement, please call me.

Attachment

**Fiscal Impact of Amendment to Salary Plan for Sheriff Officials, Salary Schedule S-O
Effective July 1, 2016 to June 30, 2018**

Current Payroll (excluding certain exempt employees)	\$	952,733
Number of Employees		8
Average Salary	\$	119,100

Category	Effective Date	FY 2018	FY 2018	FY 2018
		Direct Cost	Fringe Cost	Total Cost
COLA	January 1, 2018	\$ 7,100	\$ 500	\$ 7,600
FY 2017 Merit Increase	Employee Anniversary Date	\$ 16,800	\$ 1,300	\$ 18,100
FY 2018 Merit Increase	Employee Anniversary Date	\$ 17,100	\$ 1,300	\$ 18,400
Totals		\$ 41,000	\$ 3,100	\$ 44,100

SUMMARY of MODIFICATIONS Salary and Benefits

Prince George's County, Maryland and Sheriff's Officials

WAGES

A. Cost of Living Adjustment

1. Sheriff's Officials covered by this Resolution will not receive a COLA in FY 2017.
2. Sheriff's Officials by this Resolution will receive a one and a half (1.5) percent COLA effective January 1, 2018.

B. Merit Increases

1. All Sheriff's Officials covered by this Salary Schedule who are eligible to receive a merit step increases during the period July 1, 2016 through June 30, 2018, will receive two (2) merit step increases in FY 2018, paid on the employee's anniversary date. There will be no retroactive payment for any of the missed merit steps.

2. The County agrees that, effective with this Agreement, any letter signed by an employee hired at a wage step higher than Step A that stated that the Employee would not receive merit steps for a period of some years after reaching a designated step shall no longer prevent that employee from advancing on the wage scale in the regular manner, where the employee is otherwise eligible to receive a merit increase.

(SECTION 1. MERIT INCREASES)

MODIFICATIONS TO THE UNIFORM WAGE SCALE -DURING FISCAL YEAR 2018

Effective the first full pay period in January 2017, for the rank of Captain, Steps A thru Q are the W27 corresponding steps multiplied by 120.85% and for the rank of Major, Steps A thru Q are the January 2017 Captain rates multiplied by 110.25%. For administrative purposes, the hourly rates are the controlling rates. Biweekly rates are the hourly rates multiplied by 80 and rounded to the nearest cent. Annual rates are the hourly rates multiplied by 2080 and rounded to the nearest dollar. Sheriff's Officials will be placed on the appropriate place on the new wage scale reflecting a 20.85% differential between the max Lieutenant's salary and the max Captain's salary.

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Effective beginning on July 1, 2017, any Sheriff's Official covered by this Resolution who completes eighteen (18) years of actual and continuous service as defined in the Deputy

Sheriff Comprehensive Pension Plan but who is not at the step for his/her rank on the Uniform Wage Scale which reflects the completion of eighteen (18) years of service will be placed at that step on the date that marks the Official's completion of those eighteen (18) years of actual and continuous service. Officials with eighteen (18) or more years of service as of July 1, 2017 will be placed on that step at the beginning of the first full pay period beginning on or after July 1, 2017. (SECTION 2. UNIFORM WAGE SCALE)

CLOTHING ALLOWANCE

A. Sheriff's Officials shall receive a clothing allowance of one thousand four hundred (\$1,400.00) for the procurement, care and upkeep of clothing and leather goods. This clothing allowance is not considered part of the employee's base pay, and will be paid in one (1) installment in July of each fiscal year covered by this salary resolution.
(SECTION 18. CLOTHING ALLOWANCE)

INSURANCE PREMIUMS

A. During Calendar Year 2017, the County shall contribute seventy-three percent (73%) to the cost of the County's preferred provider option insurance plan for any employee or retiree who elects to participate in the program. Participating employees and retirees shall contribute the remaining twenty-seven percent (27%). Effective January 2018, the County shall contribute seventy percent (70%) to the cost of the County's preferred provider option insurance plan for any employee who elects to participate in the program. Participating employees shall contribute the remaining thirty percent (30%).

The PPO health insurance plan is only available to retirees as of January 2003 living outside of the area. A retiree may re-enroll in the County's health benefits plans in the case of the death or divorce from a spouse or losing health benefits coverage through a spouse. The retiree must notify the County within thirty-days (30) of the event to re-enroll in the health benefits plans lost. The retiree must submit written documentation reflecting the proof of the date the coverage was lost, as well as the health benefits plans lost. The premium contribution schedule and health benefits plans provisions in effect at the time the retiree enrolls in the plans as a result of losing the coverage will apply.

B. In Calendar Years 2017 and 2018, the County shall contribute seventy-three percent (73%) to the cost of the County's preferred provider option health insurance plan for any retiree who elects to participate in the program. Participating retirees, defined as any Sheriff's Official who has retired or will retire on or before December 31, 2017, shall have their contribution rate capped

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at twenty-seven percent (27%). Employees who retire on or after January 1, 2018 will not benefit from this cap, and shall be governed by Paragraph A above.

C. During Calendar Year 2017, the County shall contribute seventy-eight percent (78%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO) for any employee or retiree who elects to participate in the program. Participating employees shall contribute the remaining twenty-two (22%). Effective January 1, 2018, the County shall contribute seventy-five percent (75%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO) for any employee or retiree who elects to participate in the program. Participating employees shall contribute the remaining twenty-five percent (25%).

D. In Calendar Years 2017 and 2018, the County shall contribute seventy-eight percent (78%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO) for any retiree who elects to participate in the program. Participating retirees, defined as any Sheriff's Official who has retired or will retire on or before December 31, 2017, shall have their contribution rate capped at twenty-two percent (22%). Employees who retire on or after January 1, 2018 will not benefit from this cap, and shall be governed by Paragraph C. above.

E. Employees who provide proof of other medical coverage may choose to receive a credit instead of enrolling in a medical plan with the County. This benefit option is not available to retirees.

F. During Calendar Year 2017, the County shall contribute eighty-eight percent (88%) to the County's deductible prescription drug and vision care programs for any employee who elects to participate in either program. The participating employee shall contribute the remaining twelve percent (12%). Effective January 2018, County shall contribute eighty-five percent (85%) to the County's deductible prescription drug and vision care programs for any employee who elects to participate in either program. The participating employee shall contribute the remaining fifteen percent (15%). Employees who choose not to enroll in the Prescription Drug Plan may choose to receive a credit instead.

G. In Calendar Years 2017 and 2018, the County shall contribute eighty-eight percent (88%) to the County's deductible prescription drug and vision care programs for any retiree who elects to participate in either program. Participating retirees, defined as any Sheriff's Official who has retired or will retire on or before December 31, 2017, shall have their contribution rate capped at twelve percent (12%). Employees who retire on or after January 1, 2018 will not benefit from this cap, and shall be governed by Paragraph F above. (SECTION 31. INSURANCE PREMIUMS)

HOLD HARMLESS FOR SUPPLEMENTAL RETIREMENT AND LEAVE PAYOUT

HOLD HARMLESS FOR FISCAL YEARS 2015, 2016 AND 2017

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Any employee covered by this Salary Schedule who retires during the period from July 1, 2016 through June 30, 2018, "Average Annual Compensation," as that term is defined in the Supplemental Retirement Benefit Plan or the Comprehensive Deputy Sheriff Pension Plan, will be calculated as if the employee had received merit steps in Fiscal Years 2010, 2011, 2012, 2013, 2015, 2016 and 2017 on his/her anniversary date for the applicable merit increase that the employee otherwise would have been eligible to receive. (SECTION 32. HOLD HARMLESS FOR FISCAL YEARS 2015, 2016 AND 2017)

MILITARY LEAVE

Any employee called up to active military service in response to the terrorist attacks on September 11, 2001, the resultant war on terrorism or other military action shall be eligible for the benefits set forth herein. Payment of a salary supplement equal to the difference between the employee's base rate of pay and the employee's base military rate of pay, without the exhaustion of the employee's annual, personal and compensatory leave balances. Eligibility for health care benefits to continue once the employee enters a leave without pay status with both the employer and employee contributions of the premium being paid by the County. These benefits shall expire on March 1, 2019. (SECTION 36. MILITARY LEAVE)